

September 6, 2005

**Governor** Dirk Kempthorne

Retirement Board  
Jody B. Olson, Chairman

J. Kirk Sullivan  
Pamela I. Ahrens  
Clifford T. Hayes  
Jeff Cilek

Executive Director  
Alan H. Winkle

**MEMORANDUM**

**TO:** PERSI Employer Units

**FROM:** Cecile McMonigle  
Portfolio Accountant

**SUBJECT:** Required Footnote Disclosure for Audited Fiscal Year 2005  
Financial Statements

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If your agency undergoes a financial audit, please provide this information to your audit firm.

The Public Employee Retirement System of Idaho follows the Governmental Accounting Standards Board (GASB) Statements 25 (Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans) and 27 (Accounting for Pensions by State and Local Governmental Employers). These statements supersede GASB Statement Number 5 (Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers), which we observed for fiscal years prior to FY96.

A sample GASB Statement Number 27 footnote is presented below, for inclusion in your audited financial statements. The sample footnote includes blanks that should be filled in with pertinent information for your agency prior to inclusion in your audit report.

Information that should be added to the sample footnote disclosure includes the following, if applicable: general employer and employee contribution rates, police/firefighter employer and employee contribution rates, and three years of employer contribution history.

If you have any questions about this memo or the GASB standards, contact Cecile McMonigle at 208-287-9272.

**Sample GASB 27 Footnote Disclosure**

Public Employee Retirement System of Idaho - The Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

The contribution requirements of the *Sample Agency* and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2005, the required contribution rate as a percentage of covered payroll for members was 6.23% for general members and 7.65% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. *The Sample Agency* contributions required and paid were \$\_\_\_\_\_, \$\_\_\_\_\_, and \$\_\_\_\_\_ for the three years ended June 30, 2005, 2004, and 2003, respectively.